Commonwealth of Massachusetts Department of Telecommunications and Energy Fitchburg Gas and Electric Light Company Docket Nos. D.T.E. 02-24/25

Responses to the Division of Energy Resources First Set of Information Requests

Request No. DOER 1-13 (Gas):

With reference to Exh. FGE-KMA-1 (Gas), pages 364 – 365, the testimony says, "FG&E arrived at a final customer charge of \$ 8.50 with the intent of setting the customer charge as high as possible in order to maximize rate efficiency,..." At Schedule KMA-3 (Gas), for each rate class, please identify which of the Customer Charges (Marginal Cost, Preliminary, or Proposed) promotes the greatest rate efficiency.

Response:

Considering the goal of efficiency alone, Marginal Cost would promote the greatest rate efficiency. Considering efficiency and that rates must cover the cost of serving the class, the Preliminary rates would promote the greatest rate efficiency. Since these rates violated the goal of rate continuity, rates were adjusted in the final proposal.

Person Responsible: Karen M. Asbury